

Minutes of the Tobacco Education and Research Oversight Committee (TEROC)

September 9, 2002 MEETING

Hilton Oakland Airport
1 Hegenberger Road
Oakland, CA 94621

MEMBERS PRESENT:

Bruce Allen, Theresa Boschert, Gregory Franklin, Alan Henderson, Susanne Hildebrand-Zanki, Kirk Kleinschmidt, Rod Lew, Cheryl Raney, and Dorothy Rice.

MEMBERS ABSENT:

Ron Arias, Stella Aguinaga-Bialous, and Lourdes Baézconde-Garbanati.

VACANCIES (APPOINTING AUTHORITY)

Target Population Group Representative (Governor)

OTHERS IN ATTENDANCE:

Dileep G. Bal, M.D., Chief, Cancer Control Branch, California Department of Health Services (CDHS)

Marla Blagg, Alameda County Public Health

Francisco Buchting, Tobacco Related Disease Research Program (TRDRP), University of California (UC)

Kimberly Bankston-Lee, African American Tobacco Education Network

Ralph Cantor, Alameda County Office of Education

Tim Filler, Americans for Nonsmokers Rights

Phil Gardiner, TRDRP, UC

C. Larry Gruder, Ph.D., Director, Special Research Projects, UC

Rich Heintz, Local Lead Agencies, Project Directors Association

Jennifer Ibrahim, UC San Francisco

Kathony Jerauld, Tobacco Control Section (TCS), CDHS

Jon Lloyd, Chief, Data Analysis and Evaluation Unit, TCS, CDHS

Peter Mackler, Southern California Policy Liaison, Director's Office, CDHS

Anthony Najera, Consultant, Director's Office, CDHS

Cathy Palmer, Chief, Administrative and Contract Support Unit, TCS, CDHS

Steven Rickards, American Cancer Society

April Roeseler, Chief, Local Programs and Evaluation, TCS, CDHS

Meredith Rolfe, Safe and Healthy Kids Program Office, California Department of Education

Toni Rubin, TCS, CDHS

Bill Ruppert, TCS, CDHS

Margaret Shield, TRDRP, UC

Robin Shimizu, Assistant Chief, TCS, CDHS

Randy Silva, Board of Equalization

Colleen Stevens, Chief, Media Unit, TCS, CDHS
Claradina Toya, American Indian Network
Michael Tucker, California Department of Finance (CDOF)
Shu-Hong Zhu, UC San Diego

1. WELCOME, INTRODUCTIONS AND OPENING COMMENTS

The Chairperson, Mr. Kirk Kleinschmidt, called the meeting to order at 10:05 a.m. Each of the Committee members introduced themselves. Members of the audience also introduced themselves and identified their affiliation. The Chairperson and the other Committee members congratulated Mr. Rod Lew for his recent article in the journal Tobacco Control in which he demonstrated how the tobacco industry targets Asians and Pacific Islanders.

2. APPROVAL OF MINUTES, REVIEW OF CORRESPONDENCE AND ANNOUNCEMENTS

The May 22, 2002, minutes were approved as written. The correspondence in the packets were reviewed: the letters to U.S. Senator Boxer, Governor Davis, and to the authors of legislative bills.

3. UPDATE ON COMMUNITY FORUMS AND MASTER PLAN WORKGROUP

The Chairperson reported that there had been six community forums around the state in June to secure community input for TEROC's new Master Plan on tobacco control and research. There were 217 people who attended the forums, 87 people spoke, and several mailed in their comments. There was strong representation from the schools. In general, the input was very positive. Many of the comments related to the budget cuts and many were local or personal. Some of the input included: strong support for the continuation of the comprehensive approach, the policy approach, and the focus on norm change; expressions of interest in transnational tobacco issues; increased tobacco taxes for tobacco control purposes; increased coordination between education and health departments; increase in cessation services; and services to special populations; opposition to securitization; and concern about cutting the Regions. The Chairperson said the Committee has been processing the input from the forums in developing the Master Plan.

The Committee is currently reviewing a draft of the Master Plan. The Workgroup will meet September 10, 2002, and will be focusing on the objectives and strategies. The goal is to have the Master Plan completed and out in January 2003.

4. BUDGET UPDATE

Mr. Michael Tucker from the California Department of Finance (CDOF) introduced himself and stated that he had just been assigned to replace Mr. Bob Sands to work on portions of the California Department of Health Services (CDHS) budget, including Proposition (Prop) 99 budget, and that he was present to meet the Committee. CDHS pointed out a chart in the packets displaying the budget figures recently approved for the tobacco education and

research programs for fiscal year (FY) 2002-03 (see enclosed). CDHS stated that the State budget calls for a reduction of 1,000 State employees in addition to the earlier 6,000 person reduction, that special fund programs will not be included in the reductions, that programs funded with State General Funds will be reduced by 25 percent, and that the Master Settlement Agreement funding will no longer be available to the Tobacco Control Program (TCP).

In response to the request from the Committee, CDHS explained that authority to rollover Prop 99 funds from one FY to the next for TCP has been provided by the Legislature for most years, but that no rollover authority was provided for FY 2002-03. The University of California (UC) has codified permanent authority to take three years to obligate and five years to spend Research Account funds. After discussion, it was agreed that the Chairman should send a letter to CDOF, the Legislative Budget Committees, CDHS, and the voluntary agencies requesting Legislation to provide for permanent rollover authority for the Health Education Account (HEA) funds.

The Chairperson noted that, even though the tobacco tax increase did not go through this year, it would continue to be an issue and he emphasized that this is a public health issue. The Chairperson noted that the Speaker of the Assembly, Herb Wesson, proposed a \$2.13 tobacco tax increase during the budget deliberations, and said his purpose was to save lives. The Speaker gave verbal agreement to the voluntary agencies to provide a backfill to Prop 99 and Prop 10 for the loss in revenues to them that would have been caused by the tax increase. It was agreed to send a letter to Assembly Speaker Wesson to thank him for his support for a tobacco tax increase.

5. LEGISLATIVE UPDATE

The Chairperson reviewed for the Committee a handout on current tobacco related legislation and highlighted some bills:

Assembly Bill 1830: provides for various restrictions on sale of tobacco products via postal service or any package delivery service. This bill is on the Governor's desk, but there is concern over enforcement.

Senate Bill (SB) 1680: would raise the minimum age to purchase or consume tobacco products from 18 to 21 years of age. The bill is dead now but probably will be revived. The constituent agencies had varied reactions to this bill. The concern was that the bill did not provide funds to implement and enforce the law. Another was the lack of evidence that an age change would reduce tobacco use by youth. There was a decision to send a letter to Senator Paul Koretz, the author, thanking him for his support of tobacco control, informing him that TERO is concerned about the measure, and is reviewing the issues it raises.

SB 1701: prescribes that tobacco tax stamps and meter impressions be capable of being read by scanning machines, is on the Governor's desk.

SB 1843: would establish a tobacco licensing program, is dead for this year.

Federal Bill S.2626: would give the U.S. Food and Drug Administration (FDA) certain authority to regulate tobacco products, is moving forward. Senator Feinstein is one of the co-sponsors, and it was agreed to send a letter to Senator Boxer asking her to become a co-sponsor.

There was discussion of the need to meet with constituent groups regarding legislative bills to work through the issues and differences, and to try to facilitate a common united approach for the next legislative session. It was agreed to meet with constituent groups in late fall or early winter.

6. PROGRAM REPORTS BY AGENCIES (Each agency sends a written report to TEROC prior to the meeting and responds to questions at the meeting.)

6a. UC Tobacco Related Disease Research Program (TRDRP) Report.

UC pointed out some items in their report sent earlier: the budget for FY 2002-03 will be reduced to \$19.4 million; the next grant cycle will begin in a couple of weeks with a call for applications; the application success rate for TRDRP funds has been falling and this appears to be discouraging applications. UC announced that those planning to come to the Annual Investigators Meeting in December should register now. UC passed out a new brochure on TRDRP. UC presented slides on smoking cessation research funded by TRDRP (see enclosed).

UC said that their representative on TEROC would continue to be Dr. Susanne Hildebrant-Zanki, even though she is no longer working in TRDRP.

6b. California Department of Education (CDE) Safe and Healthy Kids Program Office (SHKPO) Report.

CDE reviewed the report previously sent. Because of budget cutbacks, three other CDE units have been placed under the umbrella of the Healthy Kids Program Office, and the word "Safe" has been added to the office name. SHKPO has moved to a new location. The workload of SHKPO has increased, while three out of the six health consultant positions are vacant. Tobacco Use Prevention Education (TUPE) grants are now divided between grades 6-8 and grades 9-12. All high school grants must include cessation efforts based on research. CDE stated, however, that there is no research-based cessation designed for schools and none for the special populations in schools. After discussion of the percent of time SHKPO consultants spend on tobacco related issues, CDE was asked to provide TEROC with a breakdown of how state operation funds are used and a comparison of prevalence rates for high schools with TUPE grants versus those with no grants.

6c. CDHS/TCS Report.

The Committee had no questions regarding CDHS' report sent earlier. CDHS presented slides regarding its approach to cessation (see enclosed). TCS also reported it has been coordinating with Medi-Cal and providing technical assistance regarding Medi-Cal's funded cessation services. Dr. Shu-Hong Zhu, UC San Diego, explained the California Smokers Helpline, and showed some results and plans for the future (see enclosed). The Helpline plans to simplify the protocol used to allow more smokers to be served and to reach more of the underserved populations, especially low income and Asian Pacific Islanders.

In response to a question on when the pending reports (Independent Evaluation, Final Report; Cost of Smoking in California, 1999) would be released by CDHS,

Mr. Peter Mackler agreed to facilitate the review process and report back to the Committee. CDHS stated that TCS expects to receive a draft of the in-school survey in late December. In response to a question, CDHS explained the program cuts made to deal with budget cuts.

7. MEDIA CAMPAIGN UPDATE

CDHS reported that the last time new ads were produced was in the Fall 2001, and these have been aired in 2002. Focus groups will begin this week with ads targeted to the Asian and Pacific Islander group. Starting in December 2001, there has been multiple exchanges of letters and material from and to the tobacco industry (TI). High-level staff at TCS have been giving at least 25 percent of time in this enterprise. The TI is asking for material on any anti-tobacco efforts back to 1954. CDHS ad agencies, Local Lead Agencies (LLAs), competitive grantees, and evaluation contractors have been deposed. TI is arguing in the court that TEROC has influenced TCS to prejudice the jury pool in California with the anti-tobacco media campaign over the past 12 years, and has made it impossible for TI to get a fair trial. On this basis, TI has asked the court to grant extreme remedies, including dismissal of the suits or moving trials out of state.

Members asked why there are no new ads, whether certain kinds of ads are not being approved, and how long the review process is. CDHS responded that the process now takes at least six months. It was explained that there are many factors influencing the delays. Members commented that this is what TEROC heard for years during the Pete Wilson Administration. Members expressed concern over the current state of the media campaign and the lack of information. Mr. Peter Mackler agreed to check into the review process, find where the ads are in the approval process, and report back. Members asked about specific ads they had seen a year ago at focus groups and thought were good, but that are still not out, for example the Gay, Lesbian, Bi-sexual, and Transgender (GLBT) ads. CDHS said they would check and report on these specific ads.

8. SMUGGLING AND NON-TAXED CIGARETTES

Mr. Randy Silva from the Board of Equalization (BOE) reported the following on tobacco tax evasion. At present, 26 of the 36 total investigators at BOE are devoted to tobacco tax evasion-related investigations. The official estimate from BOE in tax losses to the state through tobacco tax evasion is between \$130 million to \$260 million. For FY 1999-00 tobacco tax revenue represented 3.1 percent of the overall State budget. Counterfeiting of tobacco tax stamps is a major problem that became most evident in 1999 with a seizure of more than a \$1.5 million in counterfeit stamps. When a new stamp was issued September 2001, one month later counterfeits of these stamps were found. BOE did random checks of tobacco retail stores and found that 27 percent had counterfeit tobacco products. BOE is working with technology experts to have, within the next five years, an “intelligent” stamp that is scanned by retailers to avoid tax evasion.

9. COMMUNITIES OF EXCELLENCE/ONLINE TOBACCO INFORMATION SYSTEM

CDHS presented slides describing the Online Tobacco Information System (OTIS) that is being implemented (see enclosed). OTIS is basically an electronic, standardized management information system for reporting local program plans, budgets, and evaluation results based on measures in the Community of Excellence (CX). OTIS is currently applied only to the LLAs. CDHS reported that there was a steep learning curve for some LLAs regarding the whole CX process but the online reporting system is easier than the prior systems.

10. PRESENTATION FOR THE NATIONAL TOBACCO MEETING

There was a brief discussion on the National Tobacco Meeting that is to be held in San Francisco in November. All members except one are planning to attend. Three to four members will be making the presentation on behalf of TEROc. The presenters agreed to discuss and complete the content of the presentation by phone later in the month.

11. PUBLIC QUESTIONS AND COMMENTS

There were no public comments.

12. OTHER BUSINESS AND NEXT MEETING DATES

The dates for the next two regular TEROc meetings are:

November 7, 2002, in Los Angeles

January 13, 2003, in Sacramento

The dates for the next two Master Plan Workgroup meetings are:

September 10, 2002, in Oakland

October 25, 2002, in Oakland

THE MEETING WAS ADJOURNED AT 4:45 p.m.

ACTION ITEMS

1. TEROc to send a letter to Senators Barbara Boxer and Diane Feinstein requesting them to become co-authors of the Federal Bill S.2626 which would grant FDA authority to regulate tobacco.
2. TEROc to send a letter to the author of SB 1680 to advise the author, Senator Paul Koretz, that the Committee is reviewing the issues and concerns related to raising the age to 21 for purchase and consumption of tobacco products.
3. TEROc to send a letter to CDOF, the Legislative Budget Committees, CDHS, and the voluntary agencies regarding the need for permanent rollover authority for Prop 99 HEA funds.

4. TEROC to place on agenda for next meeting a review of the updated CDOF projections of Prop 99 revenue for FY 2002-03.
5. TEROC to send a letter to Assembly Speaker Herb Wesson to thank him for sponsoring a \$2.13 tobacco tax increase to save lives.
6. Mr. Peter Mackler to facilitate CDHS reviews of the “Independent Evaluation, Final Report,” and “The Cost of Smoking in California, 1999,” and to report back to TEROC.
7. Mr. Peter Mackler to report to TEROC concerning the review process for approving media ads and the current status of ads.
8. CDE to provide TEROC at its next meeting with a breakdown of how Prop 99 State operation funds are used.
9. CDE to provide TEROC at its next meeting with a comparison of smoking rates for high schools with and without a TUPE grant.
10. CDHS to provide TEROC with a breakdown of the the cuts made as a result of the loss of \$61 million.
11. CDHS to provide TEROC at its next meeting with a report on the status of the GLBT ads which some Committee members saw a year ago at focus groups.

ENCLOSURES

Final tobacco budget figures for FY 2002-03

UC report on cessation studies

Copy of slides from CDHS/TCS presentation on cessation efforts

Copy of slides from UCSD presentation on the Smokers’ Helpline

Copy of slides from CDHS/TCS presentation on OTIS